

## ATTACHMENT 2— Estimated Annual Regulatory Costs & Savings

### Impacts from the proposed introduction of the National Standard for Commercial Vessels - Part C2 (Watertight and weathertight integrity)

AMSA is required under the Australian Government Regulatory Burden Measurement framework to give consideration to the compliance costs imposed on businesses, community organisations and individuals as a result of proposed regulatory changes.

The Regulatory Burden Measurement framework considers the regulatory costs and savings resulting from regulations on businesses, community organisations and individuals. Costs are measured over a 10-year time frame against business as usual costs. Costs include administrative, operational, time and delay costs. Some costs are excluded, such as fees paid to government and the costs of international treaty obligations. Further details about the framework and costing methodology are provided at: <https://www.pmc.gov.au/sites/default/files/publications/rbm-framework-guidance-note.pdf>

This regulatory costing has been prepared consistent with the requirements of the framework. It shows each compliance cost covered by the framework and explains the cost calculations, including the assumptions and data sources used. Stakeholder comments are invited on the regulatory costing.

The regulatory costing includes the following information:

**Table A** - provides a summary table showing the outcomes of this regulatory costing for each stakeholder group.

**Table B** - details the estimated additional regulatory costs or savings incurred by businesses as a result of the proposed changes to regulations.

**Table A: Summary of Estimated Total Annual Net Regulatory Costs from this proposal**

Stakeholder Group	Total Annual Net Costs
Businesses	\$ 735,260
Community Organisations	\$ -
Individuals	\$ -
<b>TOTAL</b>	<b>\$ 735,260</b>

**Table B: Estimated Annual Regulatory Costs & Savings to Businesses**

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
1	<p><b>Freeboard marking: vessels ≥24m</b></p> <p>New fishing vessels (Class 3) that are 24m or more in length and will operate offshore will be required to have a freeboard mark on the vessel. Passenger vessels and work boats (Class 1 and 2) in this category are already required to have a loadline mark on the vessel and will not be affected.</p>	Purchasing	2	\$ 4,366.47	\$ 8,341	<p>Additional costs are based on an estimated average of 3 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). The compliance cost to vessel operators includes the additional cost of an accredited marine surveyor (6 hours at \$200 per hour), shipyard services (7 hours at \$150 per hour) and an estimated average of \$100 for materials (based on average industry pricing). Time costs to operators have also been included. It is estimated that 60% of affected operators are small owner-operators where the vessel Master will arrange for the freeboard mark. An estimated 1 hour and \$80.50 per hour wage rate is used for Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OBPR rates. For the estimated 40% of large affected operators (who will have other staff to arrange for the freeboard mark), an estimated 1 hour and the standard OBPR employed wage rate of \$68.79 per hour is used, including on-costs and overheads. Compliance costs are assumed to apply only once per vessel over a 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
2	<p><b>Freeboard marking: vessels 12m - &lt;24m</b></p> <p>New fishing vessels and work boats (Class 2 and 3) that are between 12m and 24m in length and will operate offshore will be required to have a freeboard mark on the vessel. Passenger vessels (Class 1) in this category are already required to have a subdivision load line mark on the vessel, which is equivalent to the freeboard mark, and will not be affected.</p>	Purchasing	33	\$ 3,106.47	\$ 102,878	<p>Additional costs are based on an estimated average of 60 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). The compliance cost to vessel operators includes the additional cost of an accredited marine surveyor (4 hours at \$200 per hour), shipyard services (5 hours at \$150 per hour) and an estimated average of \$100 for materials (based on average industry pricing). Time costs to operators have also been included. It is estimated that 60% of affected operators are small owner-operators where the vessel Master will arrange for the freeboard mark. An estimated 1 hour and \$80.50 per hour wage rate is used for Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OBPR rates. For the estimated 40% of large affected operators (who will have other staff to arrange for the freeboard mark), an estimated 1 hour and the standard OBPR employed wage rate of \$68.79 per hour is used, including on-costs and overheads. Compliance costs are assumed to apply only once per vessel over a 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
3	<p><b>Freeboard marking: vessels &lt;12m</b></p> <p>New fishing vessels and work boats (Class 2 and 3) that are less than 12m in length and will operate offshore will be required to have either a freeboard mark or a maximum loading placard on the vessel. This cost item includes only those operators that will choose to have a freeboard mark on the vessel. Passenger vessels (Class 1) in this category are already required to have a subdivision load line mark on the vessel, which is equivalent to the freeboard mark, and will not be affected.</p>	Purchasing	24	\$ 2,971.47	\$ 72,505	<p>Additional costs are based on an estimated average of 44 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). The compliance cost to vessel operators includes the additional cost of an accredited marine surveyor (4 hours at \$200 per hour), shipyard services (4.5 hours at \$150 per hour) and an estimated average of \$100 for materials (based on average industry pricing). Time costs to operators have also been included. It is estimated that 60% of affected operators are small owner-operators where the vessel Master will arrange for the freeboard mark. An estimated 1 hour and \$80.50 per hour wage rate is used for Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OBPR rates. For the estimated 40% of large affected operators (who will have other staff to arrange for the freeboard mark), an estimated 1 hour and the standard OBPR employed wage rate of \$68.79 per hour is used, including on-costs and overheads. Compliance costs are assumed to apply only once per vessel over a 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
4	<p><b>Freeboard placard: vessels &lt;12m</b></p> <p>New fishing vessels and work boats (Class 2 and 3) that are less than 12m in length and will operate offshore will be required to have either a freeboard mark or a maximum loading placard on the vessel. This cost item includes only those operators that will choose to have a maximum loading placard on the vessel. Passenger vessels (Class 1) in this category are already required to have a subdivision load line mark on the vessel, which is equivalent to the freeboard mark, and will not be affected.</p>	Purchasing	98	\$ 728.62	\$ 71,115	<p>Additional costs are based on an estimated average of 176 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). The compliance cost to vessel operators includes the additional cost of an accredited marine surveyor (1 hour at \$200 per hour), shipyard services (1 hour at \$150 per hour), \$50 for an engraver for the placard, and an estimated average of \$50 for materials (based on average industry pricing). For an estimated 30% of affected operators in this category who may choose to DIY the free board placard on their vessel, the cost of shipyard services is removed. Time costs to operators have been excluded for most affected operators as this will be done by the accredited marine surveyor. For those small operators that choose to DIY, an estimated 1 hour and \$80.50 per hour wage rate is used for Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OBPR rates. For the estimated 40% of large affected operators that choose the DIY option (who will have other staff to arrange for the freeboard mark), an estimated 1 hour and the standard OBPR employed wage rate of \$68.79 per hour is used, including on-costs and overheads. Compliance costs are assumed to apply only once per vessel over a 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
<b>5</b>	<b>New international standards</b>	Purchasing	81	\$ 55.00	\$ 4,455	Additional costs are based on an estimated 81 affected businesses (accredited marine surveyor businesses) over a 10-year period (based on AMSA data). The compliance cost to businesses is based on an estimated \$550 additional cost per business for the purchase of relevant international standards, including time costs for purchasing these online. It is assumed that some businesses will already have a copy of these standards and some accredited marine surveyors may obtain a copy of the standards from AMSA for free. Compliance costs are assumed to apply only once per business over a 10-year period.
	Owners and operators of affected new vessels will be able to comply with comparable international standards in place of, or in addition to, the NSCV for some components. This includes specific European Union, United States and International Standards Organisation standards for: side scuttles, windows and skylights; marking of doors, mechanisms and valves; doors and hatches; valves and through-hull fittings; and bungs or drain plugs. Accredited marine surveyors will be expected to obtain a copy of the new international standards for reference when performing initial vessel surveys.					
<b>6</b>	<b>Marking of watertight doors</b>	Purchasing	16	\$ 216.00	\$ 3,495	Additional costs are based on an estimated average of 29 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). It is estimated that 75% of relevant vessels would already comply with the new signage requirements. Signage manufacturers will not be affected by this proposal. The compliance cost to vessel operators is based on the cost difference between the current and new signage required, including the cost of the sign and installation. This is estimated to be \$30 per door (based on average industry pricing) for an estimated 4 doors per vessel on average (based on AMSA data). Time costs to operators have been excluded as there is expected to be no additional time required for this cost item above that already required during vessel construction. Compliance costs are assumed to apply only once per vessel over a 10-year period.
	New vessels that are 12m or more in length will be required to comply with updated signage standards for all doors, valves and closing appliances related to the damage control and watertight integrity of the vessel. Signs must contain the procedures for operating the doors or devices, the purpose of the controls, and any precautions to observe. Existing requirements for marking doors under the Uniform Shipping Laws (USL) Code were not uniformly applied around Australia.					

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
7	<p><b>Rapid drainage of recesses: vessels &lt;15m</b></p> <p>New vessels less than 15m in length will be required to comply with updated standards for scuppers to provide rapid drainage for vessel decks and enclosed spaces. Larger vessels are expected to already comply with the rapid drainage requirements. This will require additional time for an accredited marine surveyor to assess vessel drainage during the initial vessel survey.</p>	Purchasing	31	\$ 63.00	\$ 1,961	<p>Additional costs are based on an estimated average of 56 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). It is estimated that 80% of relevant vessels would already comply with the updated standards. The compliance cost to vessel operators includes the additional cost of an accredited marine surveyor (1 hour at \$200 per hour) and shipyard services (1 hour at \$150 per hour) (based on average industry pricing). The cost of the updated components is expected to be similar to those currently required. Time costs to operators have been excluded as there is expected to be no additional time required for this cost item above that already required during vessel construction. Compliance costs are assumed to apply only once per vessel over a 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
8	<b>New flush hatch height criteria</b>	Procedural	166	-\$ 452.94	-\$ 75,390	Net savings are based on an estimated average of 300 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). It is estimated that 80% of relevant vessels would achieve a net saving. The compliance cost savings to vessel operators includes the reduced cost of an accredited marine surveyor (0.5 hours at \$200 per hour) (based on average industry pricing). Time costs to operators have also been included. It is estimated that 60% of affected operators are small owner-operators where the vessel Master will arrange for compliance. An estimated 2 hours and \$80.50 per hour wage rate is used for Masters (based on publicly available national wage rates for masters of applicable vessels), including on-costs and overheads at standard OBPR rates. For the estimated 40% of large affected operators (who will have other staff to arrange for compliance), an estimated 2 hours and the standard OBPR employed wage rate of \$68.79 per hour is used, including on-costs and overheads. Compliance costs are assumed to apply only once per vessel over a 10-year period.
	New vessels will have modern compliance options for meeting updated flush hatch requirements. As the USL Code does not currently include appropriate requirements for flush hatches, AMSA previously released an 'equivalent compliance solution' to address identified safety problems with these. This compliance solution will be incorporated into the standard. This is expected to remove the need for some businesses to research compliance options and liaise with AMSA.					

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
<b>9</b>	<b>New requirements for watertight components: vessels ≥12m</b>	Purchasing	65	\$ 720.00	\$ 46,600	Additional costs are based on an estimated average of 117 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). The compliance cost to vessel operators is based on the additional cost of an accredited marine surveyor (2 hours at \$200 per hour) (based on average industry pricing). Compliance costs are assumed to apply only once per vessel over a 10-year period.
	New vessels that are 12m or more in length will be required to meet updated watertight and weathertight standards for some vessel components, such as windows. This will require additional time for an accredited marine surveyor assessment to ensure appropriate components are installed on the vessel during construction.					
<b>10</b>	<b>Survey of watertight components: vessels ≥12m</b>	Purchasing	65	\$ 1,440.00	\$ 93,200	Additional costs are based on an estimated average of 117 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). The compliance cost to vessel operators is based on the additional cost of an accredited marine surveyor (4 hours at \$200 per hour) (based on average industry pricing). Compliance costs are assumed to apply only once per vessel over a 10-year period.
	New vessels that are 12m or more in length will be required to meet updated watertight and weathertight standards for some vessel components, such as windows. This will require additional time for an accredited marine surveyor to test the components during an initial vessel survey.					

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
11	<b>New requirements for watertight components: vessels &lt;12m</b>  New vessels that are less than 12m in length will be required to meet updated watertight and weathertight standards for some vessel components, such as windows. This will require additional time for an accredited marine surveyor assessment to ensure appropriate components are installed on the vessel during construction.	Purchasing	143	\$ 360.00	\$ 51,600	Additional costs are based on an estimated average of 258 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). The compliance cost to vessel operators is based on the additional cost of an accredited marine surveyor (1 hour at \$200 per hour) (based on average industry pricing). Compliance costs are assumed to apply only once per vessel over a 10-year period.
12	<b>Survey of watertight components: vessels &lt;12m</b>  New vessels that are less than 12m in length will be required to meet updated watertight and weathertight standards for some vessel components, such as windows. This will require additional time for an accredited marine surveyor to test the components during an initial vessel survey.	Purchasing	143	\$ 720.00	\$ 103,200	Additional costs are based on an estimated average of 258 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). The compliance cost to vessel operators is based on the additional cost of an accredited marine surveyor (2 hours at \$200 per hour) (based on average industry pricing). Compliance costs are assumed to apply only once per vessel over a 10-year period.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
13	<p><b>Doors to be built to standard or class: vessels ≥12m</b></p> <p>New vessels that are 12m or more in length will be required to meet either the current USL Code performance-based requirements for doors to be watertight or weathertight, or updated deemed-to-satisfy standards for these doors.</p>	Purchasing	52	\$ 1,080.00	\$ 55,920	<p>Additional costs are based on an estimated average of 93 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). It is estimated that 20% of relevant vessels would already comply with the new requirements. The compliance cost to vessel operators is based on the cost difference between the current and new doors required, including the cost of the door and installation. This is estimated to be \$150 per door (based on average industry pricing) for an estimated 4 doors per vessel on average (based on AMSA data). Time costs to operators have been excluded as there is expected to be no additional time required for this cost item above that already required during vessel construction. Compliance costs are assumed to apply only once per vessel over a 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
14	<p><b>Doors to be built to standard or class: vessels &lt;12m</b></p> <p>New vessels that are less than 12m in length will be required to meet either the current USL Code performance-based requirements for doors to be watertight or weathertight, or updated deemed-to-satisfy standards for these doors.</p>	Purchasing	115	\$ 270.00	\$ 30,960	<p>Additional costs are based on an estimated average of 206 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). It is estimated that 20% of relevant vessels would already comply with the new requirements. The compliance cost to vessel operators is based on the cost difference between the current and new doors required, including the cost of the door and installation. This is estimated to be \$150 per door (based on average industry pricing) for an estimated 1 door per vessel on average (based on AMSA data). Time costs to operators have been excluded as there is expected to be no additional time required for this cost item above that already required during vessel construction. Compliance costs are assumed to apply only once per vessel over a 10-year period.</p>

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
15	<b>Additional sliding weathertight door: vessels ≥12m</b>  New fishing vessels (Class 3) that are 12m or more in length will be required to meet a new requirement to have a sliding door installed in the wheelhouse, rather than a hinged door. Where the wheelhouse is enclosed, it must be a weathertight sliding door. Vessels where the wheelhouse is not enclosed will not be affected.	Purchasing	6	\$ 3,600.00	\$ 19,946	Additional costs are based on an estimated average of 10 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). It is estimated that 50% of relevant vessels would already comply with the new requirements. The compliance cost to vessel operators is based on the cost difference between a hinged door and the new sliding doors required, including the cost of the door and installation. This is estimated to be \$2000 per door (based on average industry pricing) for an estimated 1 door per vessel on average (based on AMSA data). Time costs to operators have been excluded as there is expected to be no additional time required for this cost item above that already required during vessel construction. Compliance costs are assumed to apply only once per vessel over a 10-year period.
16	<b>Window material certificates: vessels 12 - &lt;24m</b>  New vessels that are 12m to 24m in length will be required to provide a window material certificate (or other alternative objective evidence) to show compliance with the standard.	Purchasing	49	\$ 1,188.00	\$ 58,410	Additional costs are based on an estimated average of 89 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). For 60% of affected vessel operators who are expected to obtain a window material certificate, the compliance cost is based on the additional cost of sourcing material to a standard and obtaining compliance assurance data (\$900) (based on average industry pricing). For an estimated 40% of affected vessel operators who may choose to obtain other alternative objective evidence, the compliance cost is based on an estimated average \$300 additional cost of an accredited marine surveyor's time and the cost of obtaining the evidence. Compliance costs are assumed to apply only once per vessel over a 10-year period.

No.	Proposed new or changed requirement	Cost category	Number of affected businesses per year	Average annual cost or saving per business	Total annual net cost	Comments
17	<b>Window material certificates: vessels &lt;12m</b>  New vessels that are less than 12m in length will be required to provide a window material certificate (or other alternative objective evidence) to show compliance with the standard.	Purchasing	143	\$ 540.00	\$ 77,400	Additional costs are based on an estimated average of 258 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). For 60% of affected vessel operators who are expected to obtain a window material certificate, the compliance cost is based on the additional cost of sourcing material to a standard and obtaining compliance assurance data (\$300) (based on average industry pricing). For an estimated 40% of affected vessel operators who may choose to obtain other alternative objective evidence, the compliance cost is based on an estimated average \$300 additional cost of an accredited marine surveyor's time and the cost of obtaining the evidence. Compliance costs are assumed to apply only once per vessel over a 10-year period.
18	<b>Seacock and drain plug materials: vessels &lt;24m</b>  New vessels that are less than 24m in length will be required to meet updated standards for seacock valves and drain plugs.	Purchasing	48	\$ 180.00	\$ 8,663	Additional costs are based on an estimated average of 87 affected new vessels per year over a 10-year period, with an estimated average of 1.8 vessels per business (based on AMSA data). It is estimated that 75% of relevant vessels would already comply with the new requirements. The compliance cost to vessel operators is based on the cost difference between the current valves/plugs and the new ones required, including the cost of the valve/plug and installation. This is estimated to be \$100 on average (based on average industry pricing). Time costs to operators have been excluded as there is expected to be no additional time required for this cost item above that already required during vessel construction. Compliance costs are assumed to apply only once per vessel over a 10-year period.

**Total Annual Net Cost \$ 735,260**